

**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



2002 JLARC Workplan

**Staff Briefing
May 13, 2002**

Studies Under Deputy Director R. Kirk Jonas

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Review of Gubernatorial Separation Authority

- **Project Team:** Kirk Jonas

Review of State Spending

- **Project Leader:** Walt Smiley
- **Project Team:** Daniel Oney Kimberly Sarte
Barbara Newlin

Review of Workforce Training

- **Project Leader:** Kelly Bowman
- **Project Team:** Wendy Brown Lisa Friel

Review of Gubernatorial Separation Authority

Study Mandate

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- In November 2000, JLARC directed its staff to examine gubernatorial authority to provide separation packages to agency heads and gubernatorial appointees.
- In June 2001, after receiving the staff report, the Commission directed staff to follow-up on severance packages of the Governor through the end of the administration.
- In January 2002, after receiving a preliminary report, the Commission directed a comprehensive review of all packages provided by the Governor.

Background

5

- A large severance package provided to an agency head in 2000 prompted criticism of such packages by the press and others.
- A JLARC review of packages provided information on separation packages through May of 2002.
- Full information of separation packages is still being developed and will be presented to the Commission in June.

Findings from June 2001 Study

6

- Most Governors have provided modest separation packages to appointees, generally one to two months' pay.
- During the Gilmore administration, the Chief of Staff issued a policy stating that "severance is one month's pay." However, variances could be received from the Chief of Staff.
- There are no restrictions on Gubernatorial authority.
- With a few exceptions, packages were found to be reasonable.
- A follow-up in January 2002 found most packages to be in the one to two month range.

Research Activities

7

- Interviews
- *Code of Virginia* review
- Data analysis
- Document reviews

Study Schedule

8

- | | |
|-----------------------|-----------------|
| ■ Data collection | April- May 2002 |
| ■ Report drafting | May 2002 |
| ■ Commission briefing | June 2002 |

State Spending Study

Study Mandates

10

- **HJR 773 and HB 2865 (both from 2001) direct JLARC to review State spending and identify:**
 - The largest and fastest growing programs,
 - The causes of expenditure growth,
 - An assessment of the use of performance budgeting and measurement in legislative budgeting, and
 - An analysis of the use of State funds by private organizations.

- **HJR 159 (2002) requires JLARC to provide staff assistance to a joint subcommittee on operations and funding of agencies, boards, and commissions.**

Governor's Commission on Efficiency and Effectiveness Is Addressing Similar Issues

11

- **13-member Commission appointed by Governor Warner to:**
 - **Identify redundant and ineffective services**
 - **Streamline and consolidate state agencies and programs**
 - **Better use technology to improve service delivery and reduce costs**
 - **Employ 21st century management tools to make State services more efficient**
- **Report due August 1. Report on implementation of recommendations due December 15.**

2001 JLARC Briefings and Report

12

- **May 9 Commission meeting**
 - **Guidance from Commission**
- **June 11 Commission meeting**
 - **Work plan; Guidance from Commission**
- **September 10 Commission meeting**
 - **Budget Growth (Chapters 1, 2 and 5)**
 - **Performance Measurement (Chapter 4)**
- **October 9 Commission meeting**
 - **Revenue Forecasting (Chapter 3)**
- **December 10 Commission meeting**
 - **Interim Report**

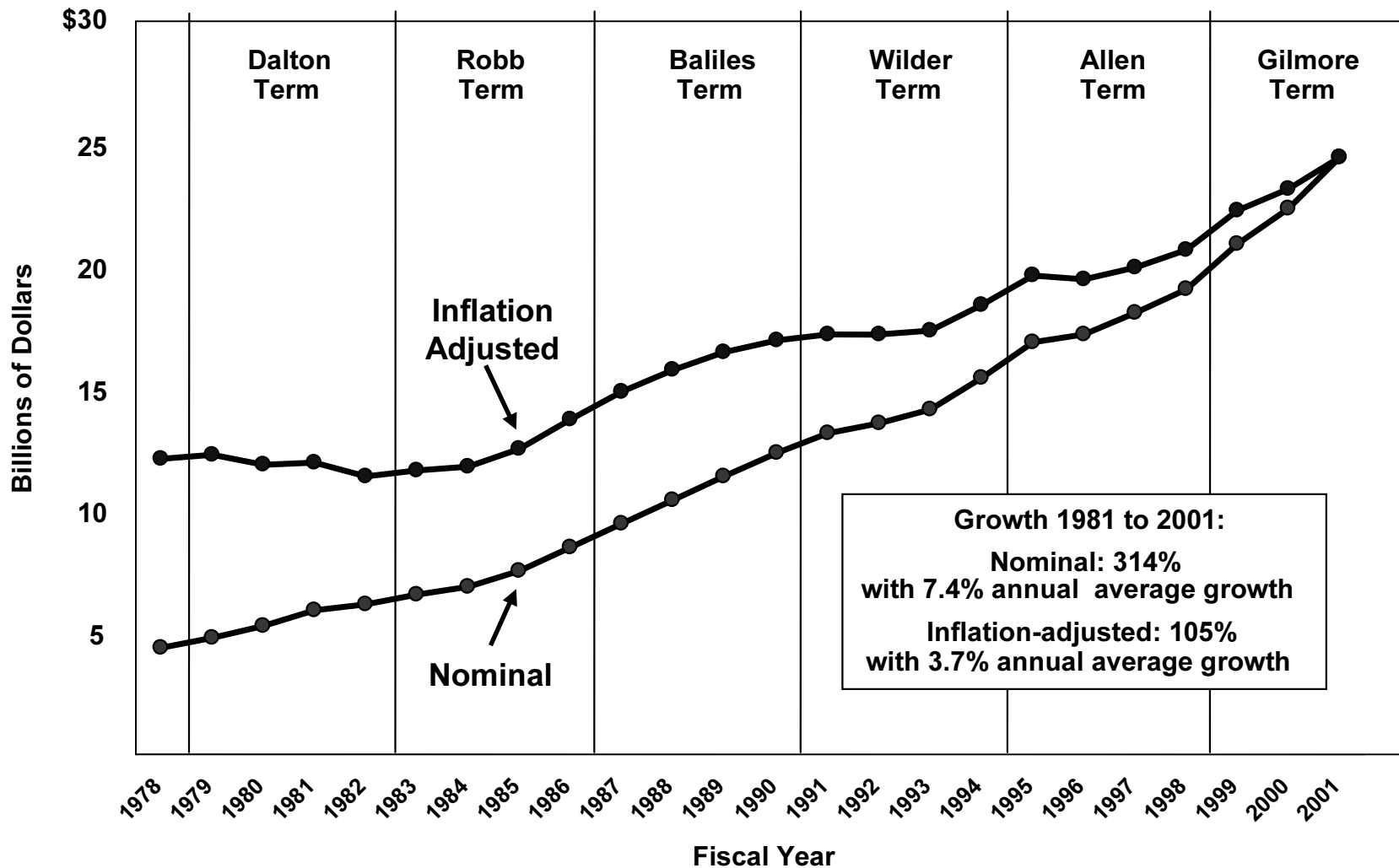
2002 Activities

13

- Update key spending trends for FY 2001 expenditures.
- Include 4-year and 20-year trends.
- Compare key spending trends and budget drivers across the colleges and universities.
- Identify opportunities for consolidation, economies, efficiencies.
- Develop additional agency profiles, highlighting key trends and factors explaining long term budget changes.
- Provide staff support for HJR 159 Joint Subcommittee as requested.
- Provide information to Governor's Commission as requested

Virginia Expenditures for All Functions FY 1978 – FY 2001

14



Some Factors in Identifying Core Governmental Functions

15

- **Legal basis and funding history**
- **Service populations**
- **Consequences of making program changes**
- **Private sector or other capability to deliver services**

Examples of Potential Subjects of Review

16

■ Potentially “optional” State services and programs

- Non-state agencies
- Medicaid optional services

■ Potential consolidation opportunities

- Programs for business assistance and economic development
- Administration of State monuments and memorials
- Law enforcement training

Examples of Potential Subjects of Review

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■ Possible efficiencies

- To what extent are consultants and contract staff being used in lieu of State employees? Is it always cost-beneficial?
- Would additional incentives for regional service delivery help curtail costs (for example, as in the case of regional jails)?
- How has local and State social services staffing changed concurrent with the reduction of TANF caseload?

Research Activities

18

- **Structured interviews**
- **Data analysis**
- **Document reviews**
- **Surveys**

Study Schedule

19

- **Commission guidance work session*** **June 2002**
- **FY 2001 update report** **June 2002**
- **Data collection** **summer-fall 2002**
- **Commission briefing** **November 2002**

***Additional guidance meetings may be scheduled later in the year.**

Review of Workforce Training in Virginia

Study Mandate

21

- Based on the authority provided through Sections 30.56 to 30.63 of the *Code of Virginia*, the Commission directed JLARC staff to conduct a review of workforce training in Virginia.
- Item 130 #7c of the 2002-2004 Appropriations Act directs JLARC to review the administration of the Workforce Investment Act by the Virginia Employment Commission and whether responsibility should be transferred to another State agency.

Background: Workforce Investment Act

22

- **Most workforce training programs are funded and/or mandated by the federal government.**
- **In 1998, the President signed into law the Workforce Investment Act (WIA), which replaced the Job Training Partnership Act (JTPA) of 1982.**
- **According to the United States Department of Labor, the key principles of the WIA include:**
 - **streamlining services,**
 - **empowering individuals,**
 - **providing universal access,**
 - **increasing accountability, and**
 - **expanding state and local flexibility.**

Background: Workforce Investment Act

(continued)

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■ The Workforce Investment Act:

- required the establishment of a “one-stop” service delivery system that centralizes employment and training services for individuals,**
- authorized three funding streams to provide employment and training services to adults, youth and dislocated workers,**
- mandated 17 federally funded programs to have a presence at one-stops, and**
- amended and reauthorized several pieces of federal legislation, including the Wagner-Peyser Act, which authorizes funding for the job service employment program.**

WIA's 17 Mandated Partner Programs

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WIA Adults

WIA Youth

WIA Dislocated Workers

Adult Career and Technical Education

Employment Service

Vocational Rehabilitation Program

Adult Education and Literacy

Welfare-to-Work

Senior Community Service Employment Program

Trade Adjustment Assistance

Veterans services

Job Corps

Native American Programs

Migrant and Seasonal Farmworker Programs

HUD-administered employment and training

Community Services Block Grant

Unemployment Insurance

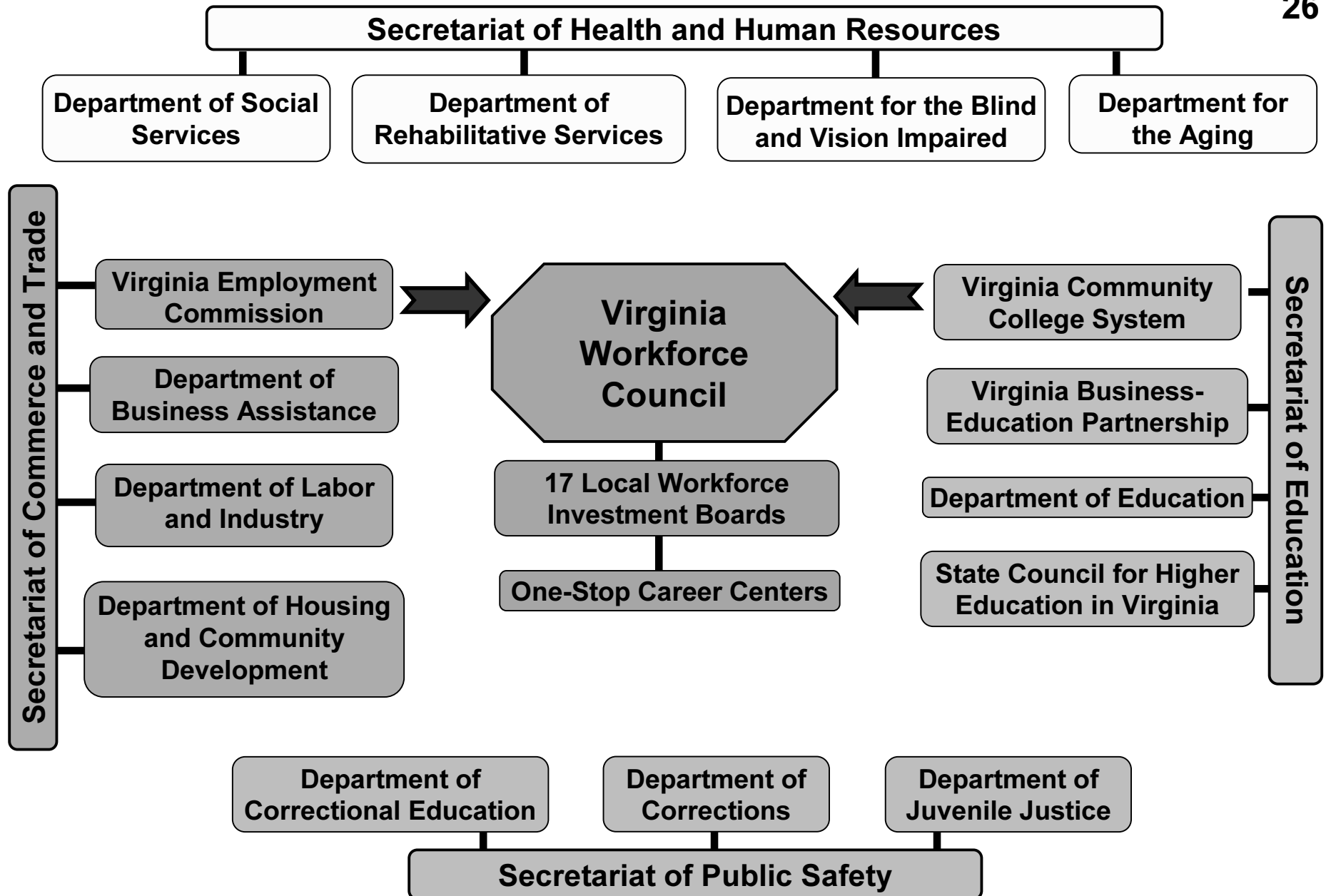
Background: Workforce Investment Act

(continued)

25

- **In 2000, Virginia implemented the Workforce Investment Act by:**
 - **designating the Virginia Employment Commission as the lead agency in administering the WIA,**
 - **establishing the Virginia Workforce Council (the Council),**
 - **identifying 17 local investment areas and establishing a local workforce investment board (WIB) in each, and**
 - **certifying at least one comprehensive one-stop in each of the 17 investment areas that provides access to each mandated partner program.**

- **The JLARC review will assess the implementation and administration of the WIA.**



Workforce Training or Education?

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Continuum of Education and Training

Youth Education

(not funded through WIA)

- Elementary Education
- Secondary Education
- Secondary Career and Technical Education
- Education Provided within Juvenile Correctional Facilities

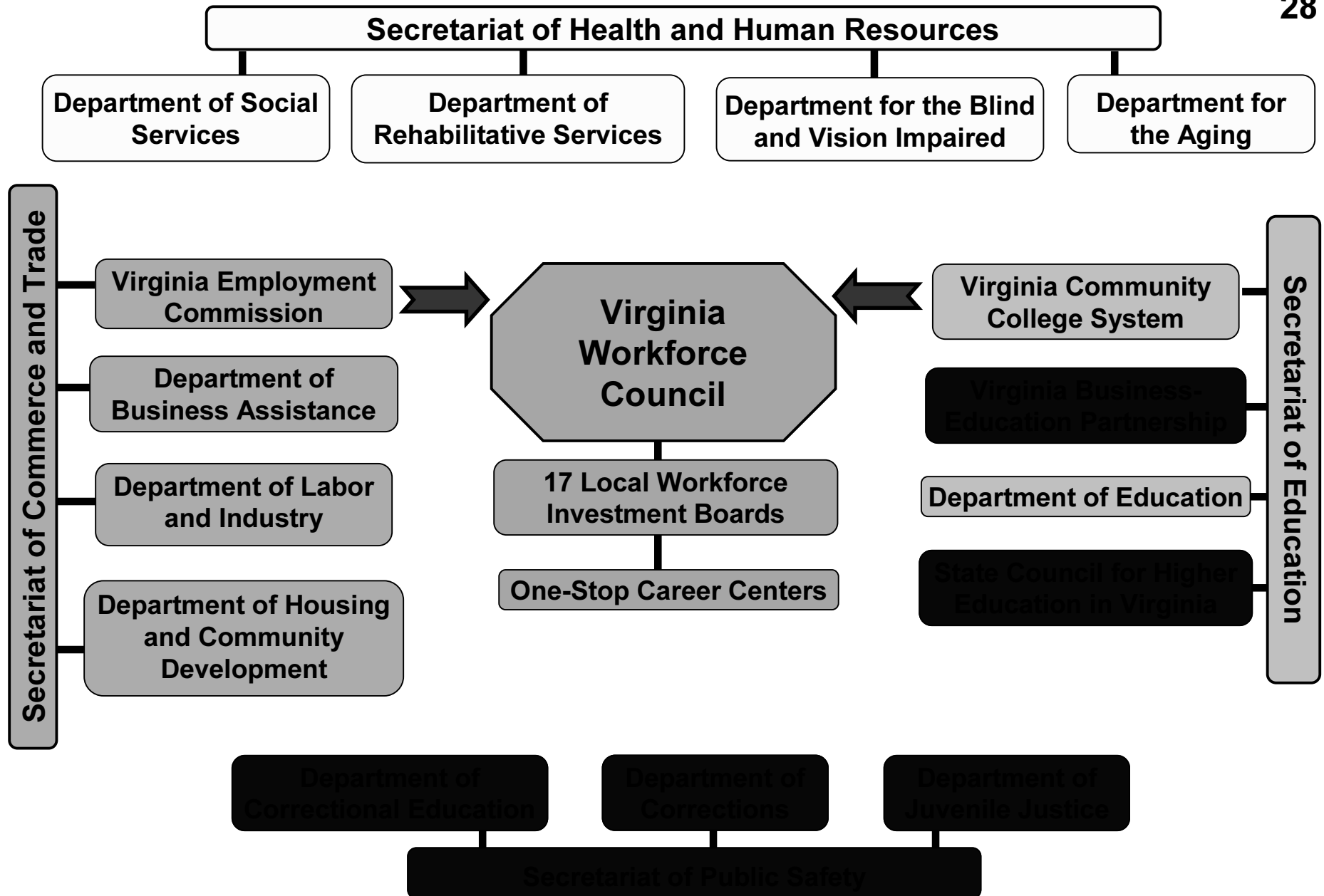
Proposed JLARC Operational Definition

- WIA Mandated Partner Programs and WIA Funded Programs
- TANF Block Grant Employment Programs
- Non-Credit Courses through the Community Colleges
- Workforce Services Program
- Workforce Training for Regional Partnerships
- Virginia Apprenticeship Program

Post-Secondary Education

(not funded through WIA)

- Proprietary Schools
- Education Provided within Correctional Facilities
- Community College Degree Programs
- Public and Private Four Year Colleges and Universities
- Public and Private Graduate Schools



Proposed Workforce Training Definitions

29

- Staff are proposing the following definitions of workforce training for this review:
 - General Definition: *any education or training that enhances the ability of an individual to gain, sustain or advance in self-supporting employment.*
 - Operational Definition: *shorter term programs funded with State or federal dollars that provide training that provides the skills necessary to gain, sustain, or advance in a specific job or career.*

Study Issues

30

- **How are workforce training programs currently organized and funded in Virginia?**
- **Has the proliferation of providers diluted Virginia's training effort?**
- **What performance measures are currently in place to evaluate workforce training programs and how are programs faring according to those measures?**

Study Issues

(continued)

31

- **Are local areas effectively administering and coordinating workforce training?**
- **Is the Virginia Employment Commission effectively administering the Workforce Investment Act?**
- **Would the administration of the WIA be improved if the responsibility were transferred to an agency other than the Virginia Employment Commission?**

Research Activities

32

- **Structured interviews**
- **Site visits to local investment areas**
- **Document reviews**
- **Data collection and analysis**
- **Surveys**
- **Meeting attendance**
- **Other**

Proposed Study Schedule

33

- | | |
|------------------------------------|------------------------|
| ■ Data collection | spring and summer 2002 |
| ■ Commission briefing
(interim) | July 2002 |
| ■ Analysis and report
drafting | fall 2002 |
| ■ Commission briefing
(final) | November 2002 |

Studies Under Division Chief Robert B. Rotz

34

Best Practices for the Support Services of School Divisions

- Project Leader: Bob Rotz
- Project Team: Greg Rest Kimberly Sarte
Christine Wolfe

State Funding Formula for Educational Technology

- Project Leader: Kimberly Sarte
- Project Team: Greg Rest

Studies Under Division Chief Robert B. Rotz (continued)

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Education Funding Study Follow-up (response to information requests pertaining to the 2001 JLARC review)

- **Staff Assigned: Bob Rotz**

Review of the Implementation of the Chesapeake Bay Preservation Act

- **Project Leader: Eric Messick**
- **Project Team: Gerald Craver
Research Intern**

Best Practices for the Support Services of School Divisions

Study Mandate

37

- **House Joint Resolution 34 (2002) directs JLARC to examine best administrative, fiscal and service practices in Virginia's public school divisions.**
- **The resolution further directs JLARC:**
 - **to identify programs and services**
 - **that might be consolidated,**
 - **are not achieving their intended purpose, or**
 - **have no relevant or discernable mission;**
 - **to identify services that might be effectively out-sourced; and**
 - **to develop recommendations for revenue-saving initiatives and practices.**

Background

38

- **Other states have identified or developed some best practices for support services (non-instructional services) provided by school divisions. For example, Florida has a set of best practices for a number of areas, including:**
 - **management structures**
 - **facilities construction**
 - **facilities maintenance**
 - **pupil transportation**
 - **administrative and instructional technology**
 - **food service operations.**
- **There are some documents developed in Virginia, such as a recent set of guidelines for school health practices, that provide best practice ideas.**

Examples of Florida's Best Financial Management Practices

39

- The school district periodically reviews its organizational structure and staffing levels to minimize administrative layers and processes.
- The district regularly evaluates employee salaries and benefits, using appropriate benchmarks that include standards derived from comparable school districts, government agencies, and private industry.
- The district periodically evaluates maintenance and operations activities to determine the most cost-effective means of providing needed services, including consideration of management improvements, outside contracts or privatization, and joining associations of other government agencies.
- The district identifies barriers to student participation in the school meals program and implements strategies to eliminate barriers.

Study Issues

40

- **What practices appear to be leading candidates for consideration as best practices for education support services at the division and school level?**
- **Could a general consensus develop among Virginia school divisions regarding what practices constitute the best practices for support services?**
- **Are there support programs or services offered by school divisions that might be: (1) made more efficient by consolidating or out-sourcing them to a greater extent, or (2) eliminated?**
- **What are the resource implications of the best practices for school system support services in Virginia?**

Phases of the Study

41

Study will be in two phases:

- **Phase I: Identifying best practices**
- **Phase II: Analyzing best practices and how they may relate to expenditure levels**

Research Activities

42

- Literature reviews
- Interviews
- Solicitation of best practice ideas used by school divisions
- Site visits to selected school divisions
- Data analysis

Study Schedule

43

- | | |
|---|------------------------|
| ■ Phase I data collection | spring – fall 2002 |
| ■ Interim report drafting | fall 2002 |
| ■ Interim commission briefing | December 2002 |
| ■ Phase II data collection,
analysis, and final report
drafting | January to June 2003 |
| ■ Commission briefing | July or September 2003 |

State Funding Formula for Educational Technology

Study Mandate

45

- **Senate Joint Resolution 87 (2002) directs JLARC to:**
 - **recommend a state funding formula for educational technology and technology support personnel, and**
 - **assess ways to enhance the use of federal and private sector assistance for educational technology.**

Background

46

- **Providing adequate educational technology is an increasing concern of local school divisions.**
 - **During the 1999-2000 school year, school divisions spent a total of \$365.5 million on technology-related expenses.**
 - **However, per pupil amounts for technology-related expenses varied greatly among divisions.**

Background

(continued)

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- School divisions' technology-related expenditures are a response to State requirements for educational technology. For example:
 - *Standards of Quality* require local school boards to implement a program of instruction "...which emphasizes ... proficiency in the use of computers and related technology."
 - *Standards for Accrediting Public Schools* require local school administrations to provide "...properly equipped laboratories that meet the needs of instruction in the sciences, technology, fine arts, and career and technical programs."
 - *Standards of Learning* contain specific computer/technology standards for grades 5, 8, and 12.
- School divisions also may be responding to local pressure to improve technology capabilities.

Background

(continued)

48

- **Federal funding: an estimated \$30 million provided to Virginia in FY 2001, and an estimated \$20 million provided in FY 2002.**
- **State funding:**
 - **Localities will receive \$133 million in initiative funding for educational technology during the 2002-2004 biennium.**
 - **Majority of funding provided through the VPSA technology grant program for the SOL Technology Initiative.**
 - **Divisions may use lottery funds and school construction funds for technology equipment.**
 - **Some funding also provided through support cost components of the SOQ, but amounts are not based on a technology funding formula.**

Study Issues

49

- **What level of technology-related staffing, both support and instructional, could be included in a State funding formula?**
- **How could technology-related training for instructional staff be integrated into a State funding formula?**
- **How could a technology replacement program be included in a State funding formula?**
- **How could technology-driven facilities costs be included in a State funding formula?**
- **How can state, federal, and private funds be applied to an educational technology funding formula to lessen the amount of new resources required from the State and local school divisions?**

Research Activities

50

■ Data Analysis

- DOE Annual Technology Survey
- DOE Annual School Report

■ Structured Interviews

- School division staff
- DOE staff
- Educational technology interest groups, national organizations, other states, and private sector experts

Study Schedule

51

- | | |
|---------------------------|---------------------------------|
| ■ Data collection | summer and fall of 2002 |
| ■ Interim status briefing | December 2002 |
| ■ Data analysis | fall of 2002 and winter of 2003 |
| ■ Final report drafting | winter 2003 |
| ■ Commission briefing | spring 2003 |

Review of the Implementation of the Chesapeake Bay Preservation Act

Study Mandate

53

- **House Joint Resolution 622 from the 2001 Session directs JLARC to review the implementation of the Chesapeake Bay Preservation Act. The mandate directs JLARC to include in its review:**
 - **an examination of the Chesapeake Bay Local Assistance Board's assessment and oversight of local program compliance and the exercise of the Board's enforcement authority**
 - **a performance audit of local implementation and enforcement of the Bay Act programs in Tidewater**
 - **a review of the granting of exceptions, variances, and similar decisions to local Bay Act programs**
 - **an assessment of the resources necessary for State and local implementation and enforcement of the Bay Act's provisions**

Background

54

- The Chesapeake Bay Preservation Act was established by the Virginia General Assembly in 1988 to protect and improve the water quality of the Chesapeake Bay and its tributaries by focusing on local land use planning practices.
- Sections 10.1-2100 through 10.1-2115 of the *Code of Virginia* established the Bay Act and created a State board and department to develop criteria for addressing water quality protection practices.
- The State's role is to support implementation at the local level through program oversight, establishment of environmental criteria, and the provision of resources necessary to carry out and enforce the provisions of the Bay Act.

Background

(continued)

55

- **The Bay Act designated 84 localities in the eastern portion of Virginia's Chesapeake Bay watershed as those subject to the Bay Act.**
- **Local governments are responsible through their local programs for planning and implementing the Bay Act's provisions and criteria established by the Board.**
- **Local governments are also charged with enforcing the provisions of the Bay Act through their programs.**

CBLAD's Assessment of Expanding the Bay Act to Include Western Localities

56

- **HJR 622 also identified several issues for the Chesapeake Bay Local Assistance Department (CBLAD) to examine concerning expanding the objectives of the Bay Act to the localities in the Bay watershed not already subject to the Act, including:**
 - **an assessment of the benefits to the environment and costs to local governments of expansion**
 - **an identification of the regulatory changes that may be required to reflect the physical environment of the expansion area**
 - **a review of the level of State funding to local governments necessary to implement such an expansion.**
- **HJR 622 directs JLARC to review and report on CBLAD's assessment.**

Study Issues

57

- Have the programs established by the designated local governments complied with the implementation and enforcement requirements of the Bay Act?
- Has the Board effectively assessed the local programs to determine whether these programs are complying with the Bay Act?
- Has the Board appropriately enforced the provisions and intent of the Bay Act?

Study Issues

(continued)

58

- **How should State resources be used to effectively address the intent of the Act?**
- **Will recent amendments to the Board's regulations strengthen local program compliance with the objectives of the Bay Act?**
- **Does the department's assessment of the potential effects on local governments in the proposed western expansion area sufficiently address the issues raised in HJR 622?**

Research Activities

59

- **Structured interviews with board members, department staff, representatives from local governments in the Tidewater designation and the proposed western expansion area, and staff from Planning District Commissions, Soil and Water Conservation District Commissions, and other State agencies**
- **File reviews of local Bay Act programs**
- **Data analysis of the localities' Bay Act enforcement activities**
- **Document reviews of the ordinances and comprehensive plans in the Tidewater localities**
- **Surveys of local government representatives in the Tidewater localities and the proposed western expansion area**
- **Attendance of board and committee meetings**

Study Schedule

60

- Data collection spring – summer 2002
- Report drafting late summer 2002
- Commission briefing October 2002

Studies Under Division Chief Glen S. Tittermary

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Review of the Birth-Related Neurological Injury Compensation Program

- **Project Leader:** Linda Ford
- **Project Team:** Scott Demharter Sandra Wright

Review of Systems Development in State Government

- **Project Leader:** Hal Greer
- **Project Team:** Aris Bearse Ashley Colvin
Jason Powell

Studies Under Division Chief Glen S. Tittermary (continued)

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The Future of the Chesapeake Bay Bridge-Tunnel

- **Project Leader:** Glen Tittermary
- **Project Team:** Daniel Oney

Transportation Follow-Up (HJR 211)

- **Project Team:** Glen Tittermary Hal Greer
Eric Messick

Virginia Retirement System Oversight

- **VRS Analyst:** Trish Bishop
Paula Lambert (pt)

Studies Under Division Chief Glen S. Tittermary (continued)

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Internal Service Funds

- Staff: Glen Tittermary Linda Ford

JLARC Computer Systems and Web Site

- Manager: Glen Tittermary
- Document Support: Joan Irby (pt)

**Review of the Virginia
Birth-Related Neurological Injury
Compensation Program**

Study Mandate

65

- At its January 2002 meeting, JLARC directed staff to conduct a review of the Virginia Birth-Related Neurological Injury Compensation Program.
- HB 714 (2002), which proposed various changes to the program, was carried over pending the JLARC review.

Background

66

- In the mid-1980s, medical malpractice insurance for obstetricians was becoming increasingly costly, and for some obstetricians, unavailable at any cost. As a result, some rural areas reportedly had no obstetrical care available.
- In response to this malpractice insurance “crisis,” the 1987 General Assembly enacted a number of tort reforms.
- One reform enacted was the Virginia Birth-Related Neurological Injury Compensation Program, which became operational on January 1, 1988.

Background

(continued)

67

- The program establishes an alternative to the tort system for compensating infants who are severely injured at birth.
- Children meeting the *Code of Virginia* definition of “birth-related neurological injury” are eligible for lifetime reimbursement of medical and certain other expenses if the physician who delivered the baby or the hospital where the delivery occurred participates in the program.
- Children’s expenses are paid primarily from assessments charged to participating physicians and hospitals. The program does not receive General Funds.
- Participation in the program is an exclusive remedy -- families of children admitted into the program cannot sue for medical malpractice.

Background

(continued)

68

- **As of April 2002, 70 children have been accepted into the program and approximately \$30 million in benefits have been expended.**
- **As of December 31, 2001, the program's fund was valued at \$80 million.**
- **An actuarial review of the program's fund is conducted at least biennially. The most recent review concluded that the fund is actuarially unsound, with an unfunded liability of \$72 million.**

Study Issues

69

- **To what extent are severely birth-injured children covered by the program?**
- **What is the impact of the program on birth-injured children?**
- **What is the impact of the program on physicians, hospitals, and the insurance industry?**

Study Issues

(continued)

70

- **Is the program's eligibility process sound?**
- **Is the program effectively structured and operated?**
- **Are program benefits reasonable?**
- **Is the birth injury fund financially sound?**

Research Activities

71

- **Structured interviews**
- **Surveys**
- **File reviews**
- **Review of financial and programmatic data**
- **Document reviews**

Study Schedule

72

- Data collection spring-fall 2002
- Report drafting fall 2002
- Commission briefing November 2002

Review of Information Systems Development in State Government

Study Mandate

74

- In November 2000, the Joint Legislative Audit and Review Commission authorized a review of of the development of automated information systems by State agencies.

Background

75

- **Direct information technology expenditures by the State for FY 2001 were \$800 million.**
- **The development of automated information systems has been a relatively decentralized process with individual agencies primarily responsible for procuring and managing the development of such systems.**
- **Problems encountered with information systems development have ranged from delays and cost over-runs to the abandonment of unfinished and unusable products, sometimes after the investment of millions of State dollars.**

Background

(continued)

76

- **Agencies have flexibility in how they develop systems and have used different models, including “turnkey” procurement from private vendors, partnerships with private vendors, modification of systems from other states, and in-house development with agency staff.**
- **Funding for major systems development projects may come from a variety of sources, including: agency operating budgets, general fund appropriations, special funds, federal funds, and revenue generated from systems development.**

Background

(continued)

77

- **The Department of Technology Planning has the statutory responsibility to provide guidance in the systems development process through the promulgation of standards and guidelines.**
- **The Secretary of Technology and Department of Technology Planning have statutory responsibility to review technology procurements exceeding \$100,000 and the Secretary alone has responsibility to approve procurements in excess of one million dollars.**

Study Issues

78

- **What causes have contributed to the recent system development failures in State agencies?**
- **Do agencies have adequate staffing, funding, and expertise to support system's development efforts?**
- **Does the Technology Secretariat adequately support systems development efforts?**

Study Issues

(continued)

79

- **Are there best practices in the public or private sectors that the State could adopt to improve the systems development process?**
- **Are there alternative models for systems development that would reduce the State's risks and increase the likelihood of success when procuring or developing new systems?**
- **Is the current process for funding the development of major new information systems adequate or should other funding structures be considered?**

Research Activities

80

- **Structured interviews**
- **Case studies**
- **Document and literature reviews**
- **Surveys**
- **Attendance of meetings**

Study Schedule

81

- Research spring and summer 2002
- Report drafting fall 2002
- Commission briefing December 2002

The Future of the Chesapeake Bay Bridge-Tunnel

Study Mandate

83

- **HJR 210 (2002) directs JLARC to study the future of the Chesapeake Bay Bridge-Tunnel (CBBT).**
- **The resolution specifically directs staff to evaluate:**
 - **the appropriate role for the CBBT in the economic growth and development of the Eastern Shore and the Commonwealth**
 - **the appropriate toll structure to ensure proper maintenance, sustain operations, meet debt obligations, and plan for capital improvements**
 - **the efficiency and efficacy of CBBT policies, practices, and operations.**

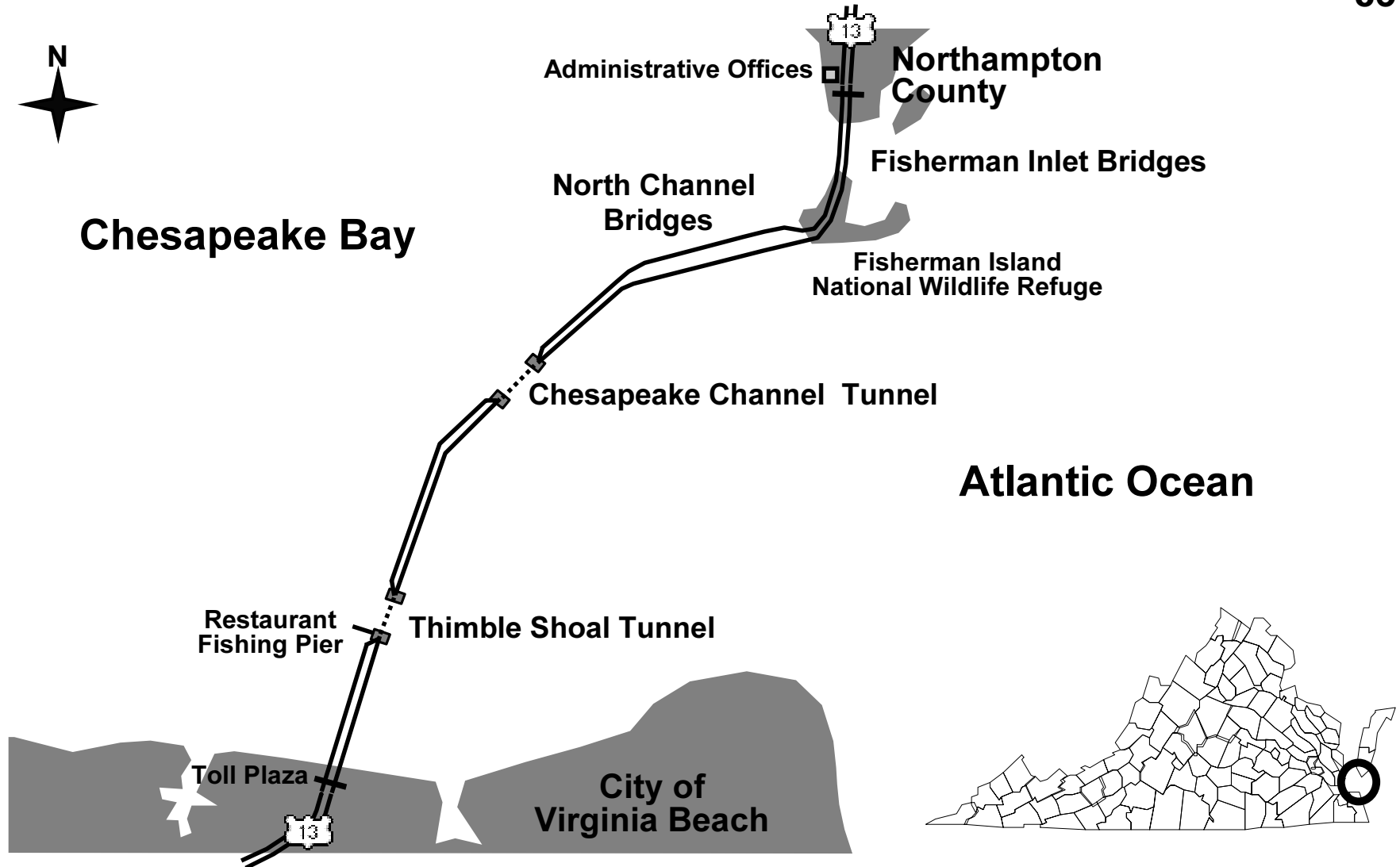
Background

84

- **The Chesapeake Bay Bridge-Tunnel provides a highway link between Northampton County on Virginia's Eastern Shore and the City of Virginia Beach on the Virginia mainland.**
- **The Bridge-Tunnel was opened to traffic in April 1964 as a two-lane, 17.6 mile structure consisting of three low-level trestle bridges and two tunnels.**
- **Parallel bridges were opened to traffic in April 1999; parallel tunnels were not constructed.**
- **Construction and improvements were funded from bonded debt; no federal, State, or local transportation funds were used.**

The Chesapeake Bay Bridge-Tunnel

85



Background

(continued)

86

- **CBBT is operated by the CBBT District, which is governed by an 11 member commission.**
- **Staff organization of 165 employees is responsible for facility operations and maintenance, toll collections, and law enforcement.**
- **Operations and maintenance are funded from toll receipts, VDOT's urban street payments, and other miscellaneous revenues.**
- **3,179,254 vehicles used the Bridge-Tunnel in 2001.**

Study Issues

87

- **To what extent, and in what ways, has the CBBT provided positive economic benefits to the Eastern Shore and the Commonwealth? Will the CBBT be likely to provide those benefits into the future? Are there adverse impacts from the CBBT?**

- **Is the CBBT toll structure adequate for maintenance and operation of the facility, retirement of existing debt, and funding of debt for anticipated capital improvements, considering:**
 - **Statutory and other requirements,**
 - **Current and projected traffic,**
 - **Debt, operating, and maintenance costs, and**
 - **Future capital improvements?**

Study Issues

(continued)

88

- **Has the CBBT implemented a maintenance program that is efficient, protects the interests of bondholders, and ensures that the facility will be available to the traveling public?**
- **Are CBBT operations efficient and cost effective?**
- **Are CBBT policies and procedures for personnel, procurement, toll operations, maintenance, and law enforcement appropriate and consistent with other public organizations?**

Research Activities

89

- Interviews
- Review of prior reports on tolls and economic impact
- Analysis of economic, demographic, and other data
- Traffic and toll revenue analysis
- Review of CBBT written policies, procedures, and other documents
- Field observation of CBBT operations and maintenance activities

Study Schedule

90

- Data collection and fieldwork summer 2002
- Report drafting fall 2002
- Commission briefing November 2002

HJR 211 Joint Subcommittee Technical Assistance

Study Mandate

92

- **HJR 211 (2002) creates a joint subcommittee to study the implementation of the JLARC studies on highway maintenance and allocation of construction and transit funding.**
- **JLARC staff are directed to provide technical support to the joint subcommittee.**

Schedule

93

- **Joint subcommittee is to complete its work by November 2003.**
- **JLARC staff will provide technical assistance as requested.**

Oversight of the Virginia Retirement System

Background

95

■ Statutory Responsibility (§30-78 *et seq.* of the Code of Virginia):

- Oversee and evaluate VRS on a continuing basis
- Publish a biennial status report
- Conduct a quadrennial actuarial analysis
- Publish an informational guide for legislators
- Hire an actuary for use by JLARC, House Appropriations, and Senate Finance

2002 VRS Oversight Activities

96

- Semi-annual investment reports (July and December)
- Complete biennial status report
- Publish third edition of the Legislator's Guide to the Virginia Retirement System (with VRS assistance)
- Attend meetings of the Board of Trustees and the Investment Advisory Committee

Internal Service Funds

Background

98

■ Statutory Responsibility (§2.1-196.1 of the *Code of Virginia*):

- Creation of new funds as necessary
- Elimination of funds no longer needed
- Transfer of excess balances to the general fund

■ Commission Policy:

- Review of quarterly financial statements
- Approval of changes in billing formulas and rates
- Approval of changes in the scope and nature of services

Current Funds

99

■ Department of Information Technology (DIT)

- Computer Services
- Systems Development
- Telecommunications

Current Funds

(continued)

100

■ Department of General Services (DGS)

- Fleet Management (Central Garage)**
- Virginia Distribution Center**
- Federal Surplus Property**
- Graphic Communications**
- Maintenance and Repair**
- State Surplus Property**
- Consolidated Laboratory Services**
- Real Property**

Schedule

101

- Review of financial statements quarterly
- Review of rate requests as needed

Computer Systems Support

2002 Computer Systems Activities

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- Provide computing support for JLARC research teams:
 - Data acquisition
 - On-line surveys
 - Applications support
- Update web site and publish new releases of the JLARC report CD-ROM